

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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*Attorneys for Plaintiff
Eliya, Inc.*

ELIYA, INC., a New York corporation,

Plaintiff,

-V-

SKECHERS U.S.A., INC., a Delaware Corporation, and SKECHERS U.S.A., INC. II, a Delaware Corporation,

Defendants.

CIVIL ACTION
Index No.:

(Demand for Jury Trial)

COMPLAINT FOR DECLARATORY JUDGMENT OF PATENT NON-INFRINGEMENT AND INVALIDITY

This is an action brought under the Declaratory Judgment Act by Plaintiff Eliya Inc., a New York corporation (hereinafter “Eliya” or “Plaintiff”), against Defendant Skechers U.S.A., Inc., a Delaware Corporation and Defendant Skechers U.S.A., Inc. II, a Delaware Corporation (hereinafter “Skechers” or “Defendants”). Upon actual knowledge with respect to itself and its acts, and upon information and belief as to all other matters, Eliya alleges as follows:

THE PARTIES

1. Eliya is a corporation duly organized under the laws of New York having its

principal place of business located at 1029 Teaneck Road, 3B, Teaneck, NJ 07666.

2. Upon information and belief, Skechers U.S.A., Inc. (“Skechers I”) is a corporation duly organized and existing under the laws of the State of Delaware with its principal place of business located at 228 Manhattan Beach Blvd., Manhattan Beach, California 90266.

3. Upon information and belief, Skechers U.S.A., Inc. II (“Skechers II”) is a corporation duly organized and existing under the laws of the State of Delaware with its principal place of business located at 228 Manhattan Beach Blvd., Manhattan Beach, California 90266. Skechers U.S.A., Inc. II is a wholly-owned subsidiary of Skechers U.S.A., Inc.

JURISDICTION AND VENUE

4. This is a civil action for declaratory judgment brought under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, and arises under the Patent Laws of the United States, Title 35 of the United States Code (35 U.S.C. §§ 100 et seq.). This Court has subject matter jurisdiction over the action pursuant to 28 U.S.C. §§ 1331 and 1338(a), as it involves substantial claims arising under the Patent Laws of the United States together with related claims for patent infringement.

5. Upon information and belief, personal jurisdiction is proper in this Court as to Skechers because Skechers solicits business and conducts business within the State of New York, including but limited to owning and operating retail stores, maintaining a website with access in New York, marketing and selling products to customers in the State of New York, and having commercial and residential sales in the State of New York through its website and its authorized retailers. Therefore, the Court has personal jurisdiction over Skechers pursuant to CPLR §§ 301 and 302 and venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b), 28 U.S.C. § 1391(c), and 28 U.S.C. § 1400(b).

NATURE OF THE ACTION

6. This is a civil action for declaratory judgment brought under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, and arises under the Patent Laws of the United States, Title 35 of the United States Code (35 U.S.C. §§ 100 et seq.).

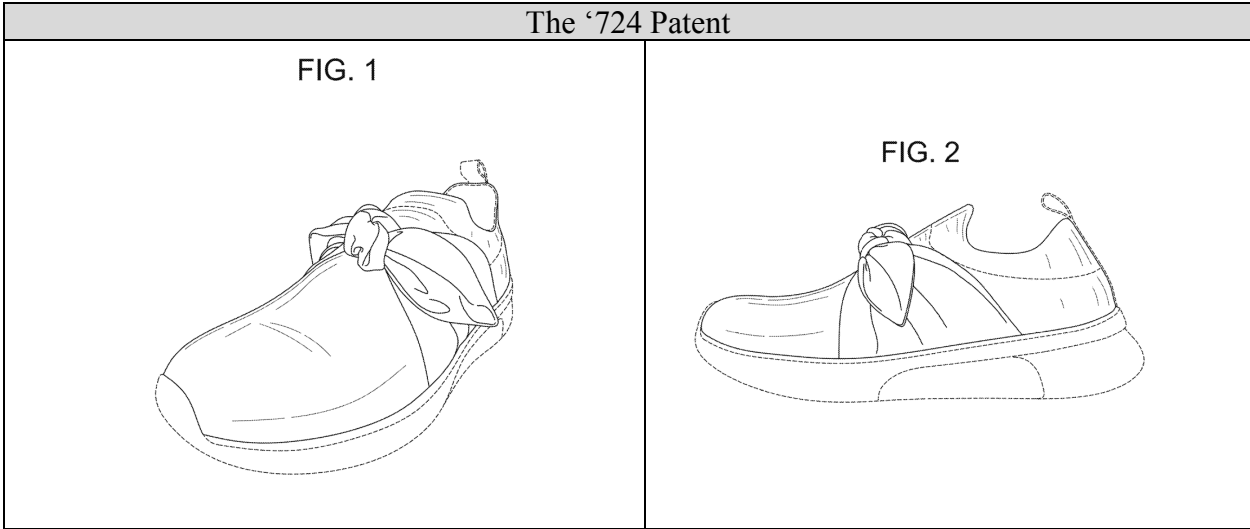
FACTS

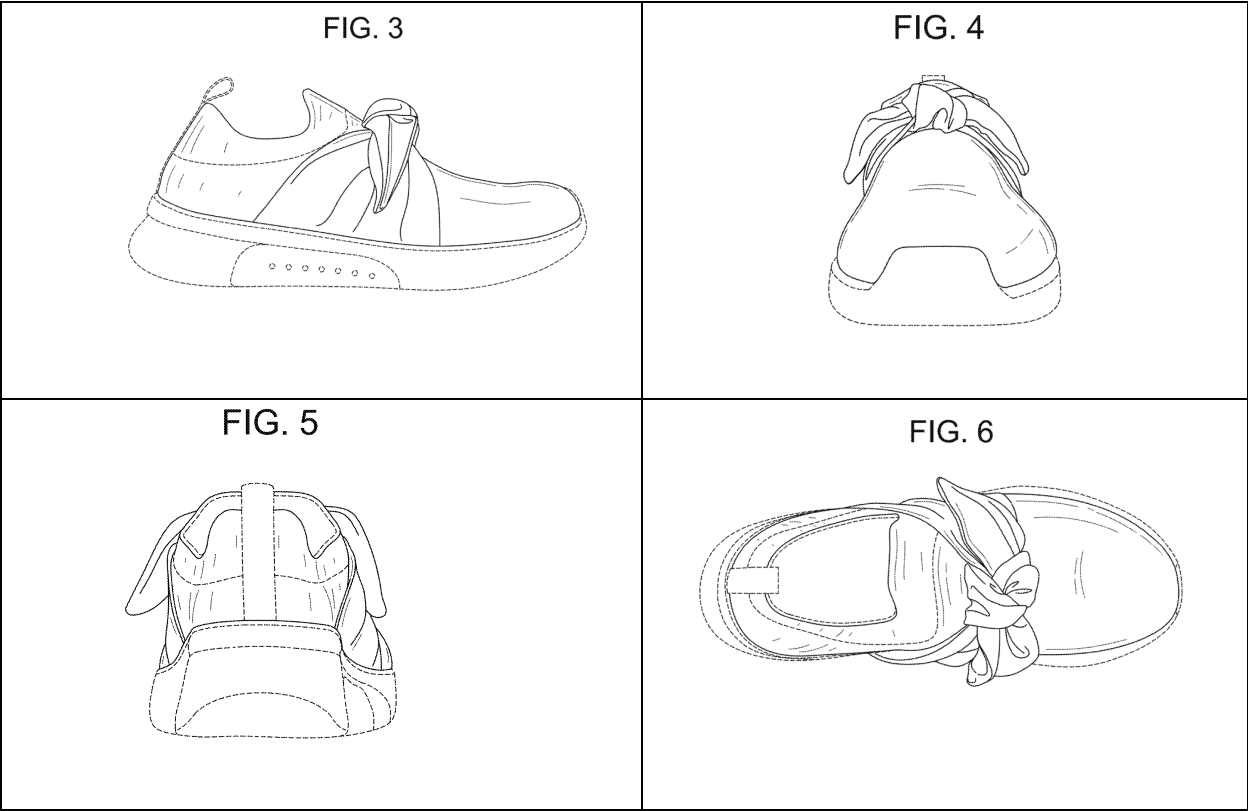
7. Eliya is in the business of creating original shoe designs, manufacturing, promoting and selling such shoes domestically and internationally.

8. Skechers is a multi-billion-dollar company that manufactures and sells shoes, some of which are purportedly original designs.

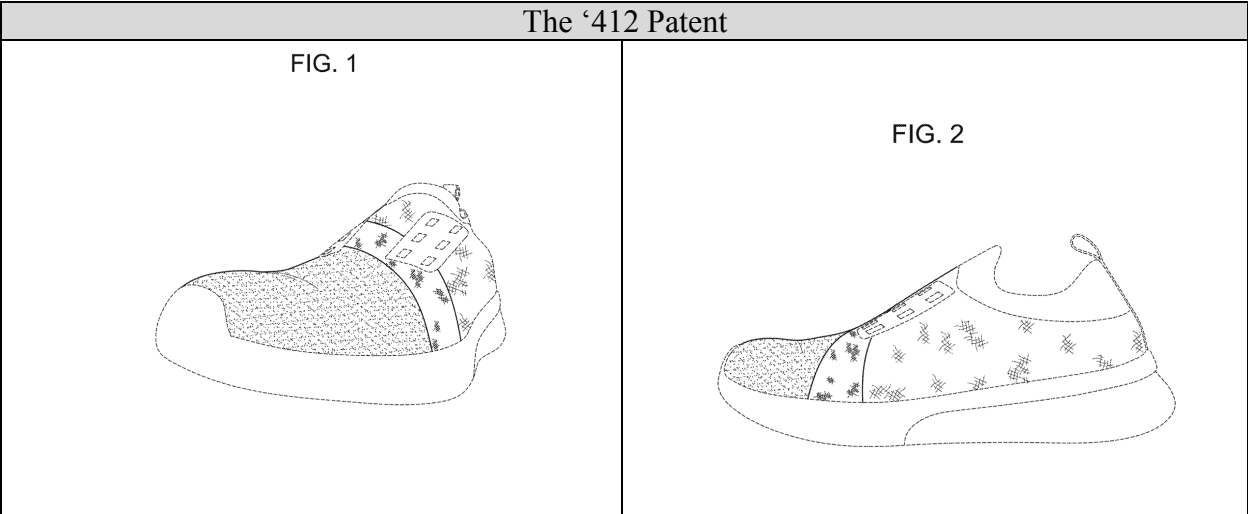
9. Skechers and Eliya are competitors.

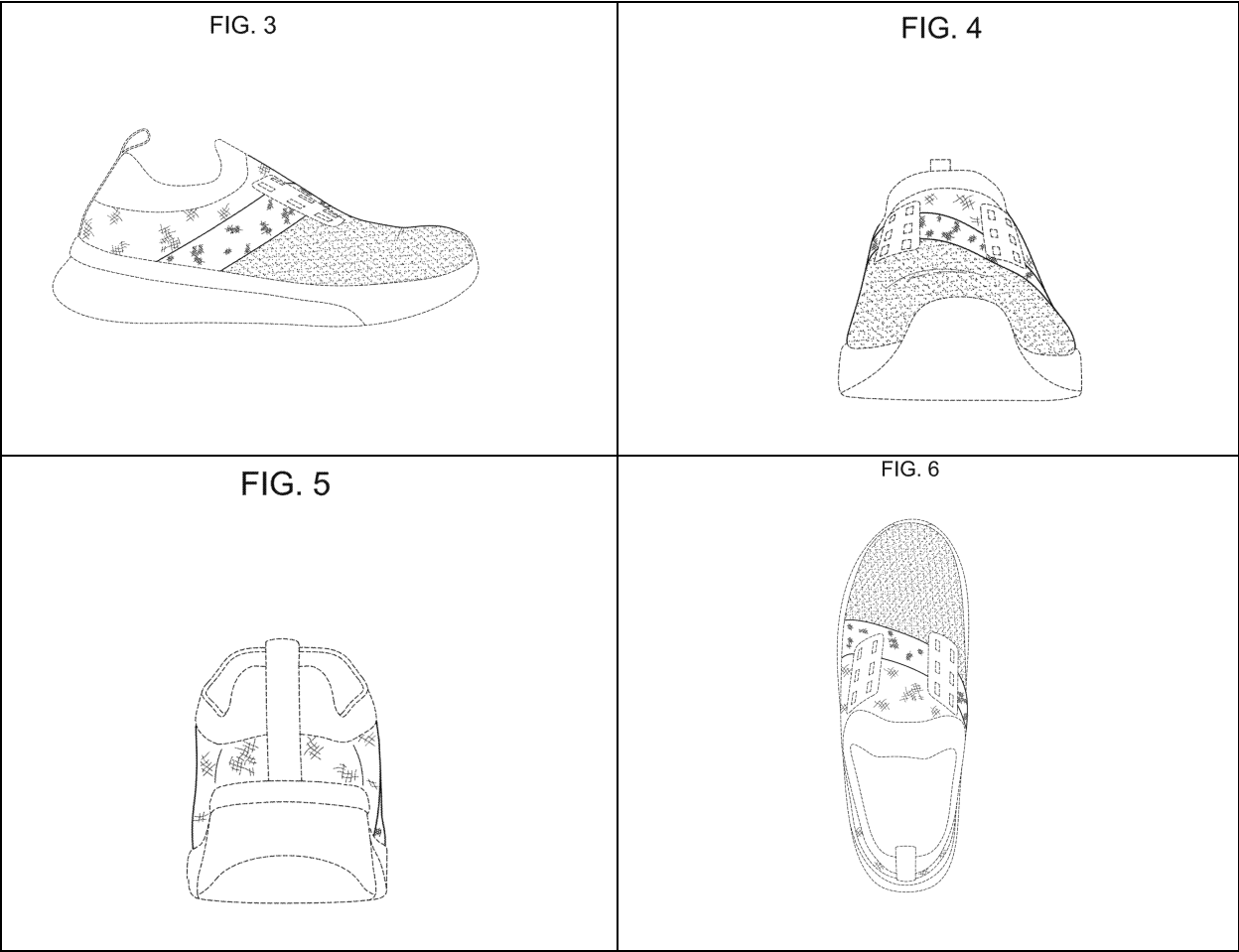
10. On July 3, 2018, Skechers II was issued a design patent for a particular shoe design, U.S. Pat. No. D821,724 (the “ ‘724 Patent”). An application for the ‘724 Patent was filed on February 13, 2018. The ‘724 Patent covers the following design:



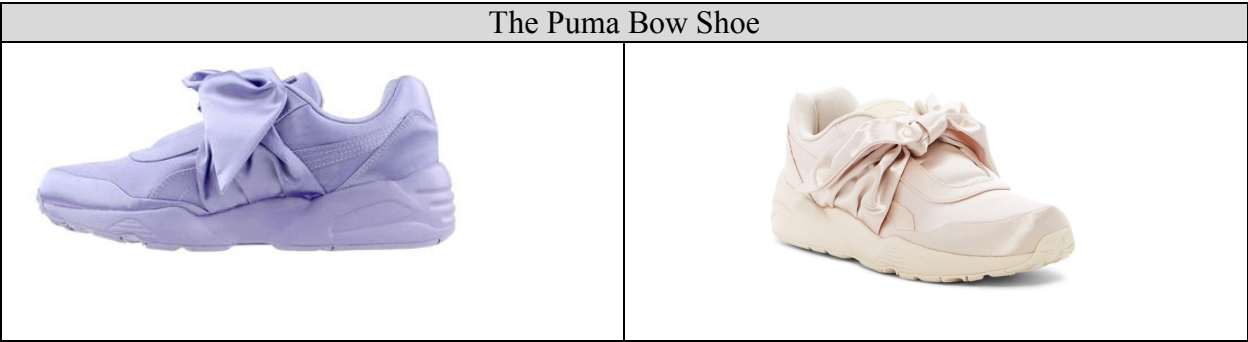


11. On February 20, 2018, Skechers II was issued a design patent for a particular shoe design, U.S. Pat. No. D810,412 (the “ ‘412 Patent”)(see Exhibit B attached). An application for the ‘412 Patent was filed on September 29, 2017. The ‘412 Patent covers the following design:





12. On September 21, 2015, Puma North America listed the following shoe for sale on the Amazon website (the “Puma Bow Shoe”):

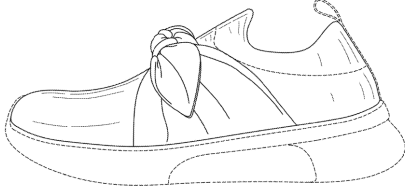



13. On or about April 24, 2018, Eliya purchased the following shoe for sale in the United States (the “Eliya Bow Shoe”):




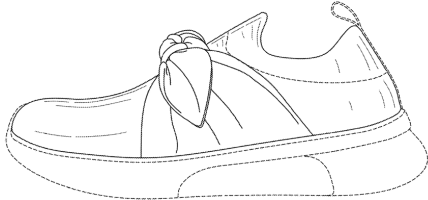
14. In or about the beginning of January 2019, Eliya received a letter dated January 2, 2019 from Skechers’ attorneys accusing Eliya of infringing the ‘724 Patent and ‘412 Patent by selling the Eliya Bow Shoe.

15. The design that embodies the ‘724 Patent is not novel and does not qualify for patent protection. The bow design on the ‘724 Patent is functional. The following is a side-by-side comparison of the ‘724 Patent and the Puma Bow Shoe:


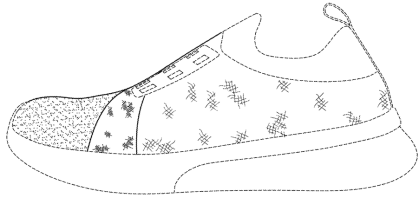
The '724 Patent	The Puma Bow Shoe
<p>FIG. 2</p> 	

16. The Eliya Bow Shoe design did not originate with Skechers.

17. The Eliya Bow Shoe design does not infringe the '724 Patent. The Eliya Bow Shoe design does not embody the overall effects of the '724 Patent. The following is a side-by-side comparison of the Eliya Bow Shoe and the '724 Patent:

The Eliya Bow Shoe	The '724 Patent
	<p>FIG. 2</p> 

18. The Eliya Bow Shoe design does not infringe the '412 Patent. The Eliya Bow Shoe design does not embody the overall effects of the '412 Patent. The following is a side-by-side comparison of the Eliya Bow Shoe and the '412 Patent:

The Eliya Bow Shoe	The '412 Patent
	<p data-bbox="1003 241 1071 262">FIG. 2</p> 

19. Eliya has not infringed and is not now infringing the '412 Patent or the '724 Patent.

20. By reason of the above, an actual controversy has arisen and exists between the parties as to the validity of '412 Patents and the '724 Patents and the alleged infringement by the manufacture and sale of the Eliya Bow Shoe by Eliya.

**COUNT I
DECLARATORY JUDGMENT FINDING
NON-INFRINGEMENT ('724 Patent)**

21. Eliya repeats and realleges each of the foregoing paragraphs by reference as if fully set forth herein.

22. An actual case or controversy exists between Eliya and Defendant, based on Skechers' claim that Eliya allegedly infringes one or more claims of the '724 patent.

23. Eliya does not infringe, induce infringement of, and/or contributorily infringe, and has not infringed, induced infringement of, and/or contributorily infringed any valid and enforceable claim of the '724 Patent.

24. Without declaratory relief, Eliya will be irreparably harmed and damaged.

COUNT II
DECLARATORY JUDGMENT FINDING
NON-INFRINGEMENT ('412 Patent)

25. Eliya repeats and realleges each of the foregoing paragraphs by reference as if fully set forth herein.

26. An actual case or controversy exists between Eliya and Skechers, based on Skechers' claim that Eliya allegedly infringes one or more claims of the '412 patent.

27. Eliya does not infringe, induce infringement of, and/or contributorily infringe, and has not infringed, induced infringement of, and/or contributorily infringed any valid and enforceable claim of the '412 Patent.

28. Without declaratory relief, Eliya will be irreparably harmed and damaged.

COUNT III
DECLARATORY JUDGMENT FINDING
INVALIDITY ('724 Patent)

29. Eliya repeats and realleges each of the foregoing paragraphs by reference as if fully set forth herein.

30. Eliya believes that the '724 Patent is invalid and void for failure to comply with one or more sections of Title 35 of the United States Code, including, without limitation, 35 U.S.C. §§ 101, 102, 103, 112 and/or 171 and/or for failure to comply with 37 C.F.R. § 1.56.

31. An actual controversy exists between Eliya and Skechers regarding whether or not each claim of the '724 Patent is valid.

32. Without declaratory relief, Eliya will be irreparably harmed and damaged.

33. Eliya is entitled to a judgment declaring that each claim of the '724 Patent is invalid for failure to satisfy one or more conditions of patentability set forth in 35 §§ 101, 102, 103, 112 and/or 171 and/or 37 C.F.R. § 1.56.

**COUNT IV
DECLARATORY JUDGMENT FINDING
UNENFORCEABILITY ('724 Patent)**

34. Eliya repeats and realleges each of the foregoing paragraphs by reference as if fully set forth herein.

35. An actual controversy exists between Eliya and Skechers' regarding whether or not each claim of the '724 Patent is enforceable.

36. Eliya is entitled to a judgment declaring that each claim of the '724 Patent is unenforceable.

PRAYER FOR RELIEF

WHEREFORE, Eliya prays that the Court enter judgment against Skechers as follows:

a. A declaration that Eliya has not infringed, induced infringement of, or contributorily infringed, and does not infringe, induce infringement of, and/or contributorily infringe, any valid or enforceable claim of U.S. Patent No. D821,724 and U.S. Patent No. D810,412;

b. A declaration that U.S. Patent No. D821,724 is invalid or unenforceable and void for failure to comply with one or more sections of Title 35 of the United States Code, including, without limitation, 35 U.S.C. §§ 101, 102, 103, 112 and/or 171 and/or failure to comply with 37 C.F.R. § 1.56;

c. A declaration that this case is "exceptional" within the meaning of 35 U.S.C. § 285;

d. An award to Eliya of its costs, attorney fees, and expenses pursuant to 35 U.S.C. § 285; and

e. That Eliya be awarded such other and further relief as this Court deems proper and just.

DEMAND FOR JURY TRIAL

Eliya hereby demands a trial by jury of all issues properly triable to a jury in this case.

Respectfully submitted this 29th day of January 2019.

THE LAW OFFICES OF TEDD S. LEVINE, LLC
Attorneys for Eliya, Inc.

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